Press Release
JAY BEE INDUSTRIES
September 24, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	5.00	ACUITE BB- | Stable | Assigned	-
Bank Loan Ratings	25.00	ACUITE BB- | Stable | Reaffirmed	-
Bank Loan Ratings	20.00	-	ACUITE A4 | Reaffirmed
Total Outstanding Quantum (Rs. Cr)	50.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long term rating of **'ACUITE BB-' (read as ACUITE double B minus**o**)**n the bank facilities of Rs.25.00 Crore of Jay Bee Industries. The outlook is '**Stable**'.
Acuite has reaffirmed its short term rating of **'ACUTE A4' (read as ACUITE A four)**on the bank facilities of Rs.20.00 Crore of Jay Bee Industries.
Acuite has assigned its long term rating of **'ACUITE BB-' (read as ACUITE double B minus**o**)**n the bank facilities of Rs.5.00 Crore of Jay Bee Industries. The outlook is '**Stable**'.

Rationale for the rating
The rating reaffirmation takes into account improved revenues and improved profitability margins with FY25, revenues has increased to Rs.107.22 crore from Rs.77.53 crore in FY24 along with steady EBITDA margins of 6.47% in FY25 from 6.11% in FY24, and PAT margins from 0.97% in FY2024 to 2.06% in FY2025 during the same period. Further, the firm has orderbook position providing revenue visibility in the near to medium term. However, these strengths are partly offset by the average financial risk profile and intensive working capital cycle. The firm has stretched liquidity backed by steady but small accruals against long term debt repayments, high bank limit utilization of short-term borrowings and low current ratio.

About the Company

Jay Bee Industries (JBI) established in 1993. The firm is engaged in business of manufacturing of different types of transformer products like Distribution Transformers, Furnace Transformers, Servo Voltage Stabilizers, Isolation Transformers, Dry Type Transformers, Solar Inverter Transformers, Power Transformers, Compact Sub Stations, Booster Transformers etc. Mr. Praveen Aggarwal and Mr. Kartik Aggarwal are the partners of the firm. The registered office of the firm is in Panchkula.

Unsupported Rating
Not Applicable.

Analytical Approach

Acuité has considered the standalone view of business and financial risk profiles of Jay Bee Industries to arrive at this rating.

Key Rating Drivers

Strengths

Experience management and established track record of operations
The partners of the firm are having an experience of more than three decades in manufacturing transformers and the firm is also providing EPC services, design and manufacture related to electric services. The partners of the firm are Mr. Praveen Aggarwal and Mr. Kartik Aggarwal. They do have good understanding of market dynamics and established relationship with customers and suppliers. Acuite believes the firm will maintain its established position in the same line of business in near to medium term. Going forward, firm will continue to benefit from the promoter's experience.

Benefits derived from promoters and reputed clientele base
The firm caters to government entities and renowned private players such as Tata power & Polycab India Limited and Godrej Projects Development Limited, among others. Additionally, the extensive experience of the management team enables the firm to maintain strong, long-standing relationships with its clients.

Increase in Revenues and operating profitability
The revenue of the firm has increased to Rs.107.22 Crore in FY25 as compared to Rs.77.53 Crore in FY24 on account of execution of orders. The firm has achieved Rs.58.06 Crs till August 2025.Moreover, the EBITDA margins has increased slightly at 6.47% in FY25 as compared to 6.11% in FY24 on account of better absorption of fixed costs. The margins are higher for private players orders hence the firm tries to optimise from there. The PAT margins improved to 2.06% in FY25 as compared to 0.97% in FY24 due to reduced interest costs. Acuite believes that the current order book of the firm provide revenue visibility to the firm over the medium term

Weaknesses

Average financial risk profile
The financial risk profile of the firm is average, with a net worth of Rs.17.43 Crore as of 31st March 2025, compared to Rs.18.88 Crore as of 31st March 2024 due to high withdrawals of capital from business. The total debt of the firm stood at Rs.35.93 Crore as of 31st March 2025, up from Rs.33.11 Crore as of 31st March 2024. The debt-equity ratio remains high, standing at 2.06 times as of 31st March 2025, compared to 1.75 times as of 31st March 2024. The interest coverage ratio improved to 1.71 times as of 31st March 2025 from 1.28 times as of 31st March 2024. Similarly, the debt service coverage ratio stood at 1.71 times as of 31st March 2025, up from 1.28 times as of 31st March 2024. The TOL/TNW ratio was 3.96 times as of 31st March 2025, compared to 3.46 times as of 31st March 2024. Going forward, the financial risk profile of the firm is expected to remain within the same range in the near to medium term.

Intensive working Capital operations
The working capital operations of the firm is intensive, marked by GCA days which stood at 243 days as of 31st March 2025, compared to 338 days as of 31st March 2024. The debtor days stood at 90 days as on 31st March 2025 as compared to 130 days as on 31st March 2024. The payments received from the customers are within 50 to 90 days and for some products, advance payments are also made. The inventory days stood at 134 days 31st March 2025 and 190 days as on 31st March 2024. The inventory days have improved yet is on a higher side because they need to maintain inventory mostly in the form of transformers, for the orders to be executed timely. The creditor days of the firm stood at 79 days as of 31st March 2025 as compared to 113 days as of 31st March 2024. The firm has to make payments to the suppliers within 90 days. Acuite believes that the working capital operations of the firm are expected to remain within the same range in the near to medium term.

Rating Sensitivities

- Movement in operating revenues and profitability
- Movement in the capital structure
- Working capital management
- Timely execution of order book

Liquidity Position
Stretched

The firm has stretched liquidity marked by net cash accruals of Rs. 3.01 Cr. in FY2025 as against Rs. 2.31 Cr. of debt obligation over the same period. Going forward, the net cash accruals are expected to be sufficient around Rs.4-5 Cr to meet debt obligations of ~Rs. 0.55-0.60 Crs. in next two years. The cash and bank balances stood low at Rs. 0.11 Cr for FY2025 as compared to Rs. 0.14 Cr in FY 2024. Further, the current ratio of the firm stood at 1.07 times in FY2025. The bank limit utilization for fund based is~ 95.65 % for six months ended till august 2025 and for non-fund is based- 79.24 % for five months ended till august 2025. Acuité believes that the liquidity of the firm is likely to remain stretched over the medium term backed by steady but small accruals against long term debt repayments, high bank limit utilization of short-term borrowings and low current ratio.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	107.22	77.53
PAT	Rs. Cr.	2.21	0.75
PAT Margin	(%)	2.06	0.97
Total Debt/Tangible Net Worth	Times	2.06	1.75
PBDIT/Interest	Times	1.71	1.28

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

• Default Recognition :- https://www.acuite.in/view-rating-criteria-52.htm
• Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
• Application Of Financial Ratios And Adjustments: https://www.acuite.in/view-rating-criteria-53.htm

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
25 Nov 2024	Bank Guarantee (BLR)	Short Term	20.00	ACUITE A4 (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BB- | Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A4 | Reaffirmed
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE BB- | Stable | Reaffirmed
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB- | Stable | Assigned

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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